

Message Text

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ORIGIN OPIC-12

INFO OCT-01 ARA-16 ISO-00 EB-11 AID-20 L-03 IGA-02 /065 R

66618

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----- 113462

P R 190018Z APR 74

FM SECSTATE WASHDC

TO AMEMBASSY LA PAZ PRIORITY

INFO AMEMBASSY LIMA

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E.O. 11652: GDS

TAGS: EFIN, BL, PE

SUBJ: GOB NOTE ON OPIC SUBROGATION RIGHTS

REF: LA PAZ A-057 DATED 24 MARCH 1974

1. ACCORDING TO INFORMATION OPIC HAS RECEIVED FROM NON-USG SOURCE IN WASHINGTON, ANCOM MEETINGS WILL BE HELD IN LIMA BEGINNING APRIL 22 CONCERNING CHANGES IN DECISION 24 (OPIC HAS ASKED FULMER IN LIMA TO VERIFY SCHEDULING OF MEETINGS).

2. INFORMANT STATED THAT MEETINGS WILL DEAL WITH PREVIOUSLY DISCUSSED DRAFT RESOLUTIONS CONCERNING DECISION 24 SECTIONS ON REPATRIATION OF EARNINGS AND DIVESTITURE OF FOREIGN OWNERSHIP.

3. ALTHOUGH OPIC HAS NO INFORMATION THAT ARTICLE 51 WILL BE DISCUSSED AT THESE MEETINGS, OPIC IS NEVERTHELESS CONCERNED THAT THE GOB, THINKING IT HAS FOUND A

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RATIONAL COMPROMISE POSITION IN THE CONTENTS OF ITS 21

FEBRUARY 1974 NOTE TRANSMITTED REFAIR, MAY OFFER THIS QUOTE
SOLUTION UNQUOTE TO OTHER ANCOM MEMBERS.

4. CONSEQUENTLY, OPIC REQUESTS THAT EMBASSY URGENTLY
ADVISE MINISTRY OF FOREIGN RELATIONS THAT POSITION
STATED IN ITS FEBRUARY 21 NOTE WILL NOT REPEAT NOT
ENABLE OPIC TO RESUME OFFERING ITS INSURANCE OR GUARANTY
INCENTIVES TO U.S. INVESTORS IN PROJECTS ORIENTED PRIMARILY
TOWARDS ANCOM MARKET, (SUCH AS DRESSER'S INVESTMENT IN
COMPANIA ANDINA DE TRICONOS S.A.), IRRESPECTIVE OF
WHETHER PROJECT ENJOYS ANCOM TARIFF AND OTHER BENEFITS.
CONSEQUENTLY, IF SUBJECT NOTE IS GOB'S FINAL POSTURE,
OPIC WILL NOT BE ABLE TO ACCEPT REGISTRATIONS OR
ISSUE CONTRACTS FOR INVESTMENTS WHOSE PRODUCTION IS DESTINED
WHOLLY OR IN PART TO ANCOM COUNTRIES.(FYI. OPIC WOULD STILL
HAVE TO CONSIDER, ON A CASE-BY-CASE BASIS, INSURANCE OF
INVESTMENTS SERVING ONLY BOLIVIAN MARKET TO DETERMINE IF
LEGAL ARRANGEMENTS ARE SATISFACTORY. END FYI).

5. FURTHERMORE, SUBJECT NOTE DOES NOT CLARIFY GOB POSITION AS
TO INVESTMENTS IN PROJECTS THAT WILL SERVE MARKETS OTHER
THAN ANDEAN COMMON MARKET OR BOLIVIA (E.G., CHARLES E STOKES
CATTLE RANCHING INVESTMENT (OPIC APPLICATION NO.
511-73-435) WHOSE PRODUCTION WILL BE EXPORTED TO BRAZIL).

6. WHILE OPIC WOULD APPRECIATE ABOVE INFORMATION BEING
TRANSMITTED TO GOB, OPIC BELIEVES THAT ANY SUBSTANTIVE
DISCUSSION OF THESE POINTS SHOULD AWAIT VISIT OF OPIC
REP., WHICH MAY BE PROPOSED NEXT MONTH. KISSINGER

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